



General Assembly

Substitute Bill No. 5885

February Session, 2000

***An Act Concerning Payment In Lieu Of Tax Revenue For
Electric Generation Facilities And Certain Property Assessment
And Tax Exemption Related Forms.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (d) of section 12-94d of the general statutes is
2 repealed and the following is substituted in lieu thereof:

3 (d) On or before June fifteenth, annually, following the assessment
4 [year during] date for which the value of an electric generation facility
5 decreases as a direct result of restructuring of the electric industry, the
6 assessor or board of assessors of a municipality in which such a facility
7 is located shall certify to the Secretary of the Office of Policy and
8 Management, on a form furnished by the secretary, the amount as
9 computed in subsection (c) of this section together with supporting
10 information as the secretary may require. The secretary may reevaluate
11 any such facility when, in [his] the secretary's judgment, the valuation
12 is inaccurate. The secretary shall review each claim and modify the
13 value of any facility included therein when, in [his] the secretary's
14 judgment, the value is inaccurate or the facility did not decrease in
15 value as a direct result of restructuring of the electric industry. Not
16 later than December first next succeeding the conclusion of the
17 assessment year for which the amount was approved by the assessor
18 or assessors, the secretary shall notify the municipality in which the
19 facility is located of the modification, in accordance with the procedure

20 set forth in subsection (e) of this section. The secretary shall, on or
21 before December fifteenth, annually, certify to the Department of
22 Public Utility Control the amount due the municipality under the
23 provisions of this section, including any modification of such amount
24 made prior to December first, and the department shall order the
25 payment of such amount by the appropriate electric distribution
26 company to the municipality in which the facility is located on or
27 before the thirty-first day of the December immediately following. The
28 amount paid shall be recovered by the electric distribution company
29 through the systems benefits charge established pursuant to section 16-
30 2451, as amended. If any modification is made as the result of the
31 provisions of this section on or after the December fifteenth following
32 the date on which the assessor has provided the amount in question,
33 any adjustments to the amount due to a municipality for the period for
34 which such modification was made shall be made in the next payment
35 the electric distribution company shall make to such municipality
36 pursuant to this section.

37 Sec. 2. Subsection (a) of section 12-63c of the general statutes is
38 repealed and the following is substituted in lieu thereof:

39 (a) In determining the present true and actual value in any town of
40 real property used primarily for purposes of producing rental income,
41 the assessor, which term whenever used in this section shall include
42 assessor or board of assessors, shall have power to require, subject to
43 the conditions in subsection (b) of this section, in the conduct of any
44 appraisal of such property pursuant to the capitalization of net income
45 method, as provided in section 12-63b, that the owner of such property
46 annually submit or make available to the assessor not later than the
47 first day of June, on a form [prescribed by the Secretary of the Office of
48 Policy and Management or approved in accordance with section 12-61]
49 provided by the assessor, the best available information disclosing the
50 actual rental and rental-related income and operating expenses
51 applicable to such property.

52 Sec. 3. Subdivision (7) of section 12-81 of the general statutes is

53 repealed and the following is substituted in lieu thereof:

54 (7) Subject to the provisions of sections 12-87 and 12-88, the real
55 property of, or held in trust for, a corporation organized exclusively for
56 scientific, educational, literary, historical or charitable purposes or for
57 two or more such purposes and used exclusively for carrying out one
58 or more of such purposes and the personal property of, or held in trust
59 for, any such corporation, provided [(a)] (A) any officer, member or
60 employee thereof does not receive or at any future time shall not
61 receive any pecuniary profit from the operations thereof, except
62 reasonable compensation for services in effecting one or more of such
63 purposes or as proper beneficiary of its strictly charitable purposes,
64 and provided [(b)] (B) in 1965, and quadrennially thereafter, a
65 statement [on forms prepared by the Secretary of the Office of Policy
66 and Management] shall be filed on or before the [last] first day
67 [required by law for the filing of assessment returns] of November
68 with the [local] assessor or board of assessors of any town,
69 consolidated town and city or consolidated town and borough, in
70 which any of its property claimed to be exempt is situated. Such
71 statement shall be filed on a form provided by such assessor or board
72 of assessors. On and after July 1, 1967, housing subsidized, in whole or
73 in part, by federal, state or local government and housing for persons
74 or families of low and moderate income shall not constitute a
75 charitable purpose under this section.

76 Sec. 4. Subdivision (10) of section 12-81 of the general statutes is
77 repealed and the following is substituted in lieu thereof:

78 (10) Subject to the provisions of sections 12-87 and 12-88, property
79 belonging to, or held in trust for, an agricultural or horticultural
80 society incorporated by this state which is used in connection with an
81 annual agricultural fair held by a nonprofit incorporated agricultural
82 society of this state or any nonprofit incorporated society of this state
83 carrying on or promoting any branch of agriculture, provided (A) said
84 society shall pay cash premiums at such fair amounting to at least two
85 hundred dollars, (B) said society shall file with the Commissioner of

86 Agriculture on or before the thirtieth of December following said fair a
87 report in such detail as the commissioner may require giving the
88 names of all exhibitors and the amount of premiums, with the objects
89 for which they have been paid, which statement shall be sworn to by
90 the president, secretary or treasurer if the society, (C) any officer,
91 member or employee thereof does not receive or at any future time
92 shall not receive any pecuniary profit from the operations thereof
93 except reasonable compensation for services in the conduct of its
94 affairs and (D) in 1965, and quadrennially thereafter, a statement [on
95 forms prepared by the Secretary of the Office of Policy and
96 Management] shall be filed on or before the [last] first day [required by
97 law for the filing of assessment returns] of November with the [local]
98 assessor or board of assessors of any town, consolidated town and city
99 or consolidated town and borough in which any of its property
100 claimed to be exempt is situated. Such statement shall be filed on a
101 form provided by such assessor or board of assessors. For purposes of
102 this subsection, "fair" means a bona fide agricultural exhibition
103 designed, arranged and operated to promote, encourage and improve
104 agriculture by offering premiums and awards for the best exhibits of
105 two or more by the following branches of agriculture: Crops, livestock,
106 poultry, dairy products and homemaking.

107 Sec. 5. Subdivision (16) of section 12-81 of the general statutes is
108 repealed and the following is substituted in lieu thereof:

109 (16) Subject to the provisions of section 12-88, all property of, or
110 held in trust for, any Connecticut hospital society or corporation or
111 sanatorium, provided [(a)] (A) no officer, member or employee thereof
112 receives or, at any future time, shall receive any pecuniary profit from
113 the operations thereof, except reasonable compensation for services in
114 the conduct of its affairs, and [(b)] (B) in 1967, and quadrennially
115 thereafter, a statement [on forms prepared by the Secretary of the
116 Office of Policy and Management] shall be filed by such hospital
117 society, corporation or sanatorium on or before the [last] first day
118 [required by law for the filing of assessment returns] of November
119 with the [local] assessor or board of assessors of any town,

120 consolidated town and city or consolidated town and borough, in
121 which any of its property claimed to be exempt is situated. Such
122 statement shall be filed on a form provided by such assessor or board
123 of assessors.

124 Sec. 6. Subparagraph (c) of subdivision (59) of section 12-81 of the
125 general statutes is repealed and the following is substituted in lieu
126 thereof:

127 (c) The completion date of a manufacturing facility, manufacturing
128 plant or a service facility will be determined by the Department of
129 Economic and Community Development taking into account the
130 issuance of occupancy certificates and such other factors as it deems
131 relevant. In the case of a manufacturing facility, manufacturing plant
132 or a service facility which consists of a constructed, renovated or
133 expanded portion of an existing plant, the assessed valuation of the
134 facility or manufacturing plant is the difference between the assessed
135 valuation of the plant prior to its being improved and the assessed
136 valuation of the plant upon completion of the improvements. In the
137 case of a manufacturing facility, manufacturing plant or a service
138 facility which consists of an acquired portion of an existing plant, the
139 assessed valuation of the facility or manufacturing plant is the assessed
140 valuation of the portion acquired. This exemption shall be applicable
141 during each such assessment year regardless of any change in the
142 ownership or occupancy of the facility or manufacturing plant. If
143 during any such assessment year, however, any facility for which an
144 eligibility certificate has been issued ceases to qualify as a
145 manufacturing facility, manufacturing plant or a service facility, the
146 entitlement to the exemption allowed by this subdivision shall
147 terminate for the assessment year following the date on which the
148 qualification ceases, and there shall not be a pro rata application of the
149 exemption. Any person who desires to claim the exemption provided
150 in this subdivision shall file annually with the assessor or board of
151 assessors in the distressed municipality, targeted investment
152 community or enterprise zone designated pursuant to section 32-70 in
153 which the manufacturing facility or service facility is located, on or

154 before the first day of November, written application claiming such
155 exemption on a form prescribed by the Secretary of the Office of Policy
156 and Management. Failure to file such application in this manner and
157 form within the time limit prescribed shall constitute a waiver of the
158 right to such exemption for such assessment year, unless an extension
159 of time is allowed [by the Secretary of the Office of Policy and
160 Management as set forth in] pursuant to section 12-81k, and upon
161 payment of the required fee for late filing.

162 Sec. 7. Subparagraph (c) of subdivision (60) of section 12-81 of the
163 general statutes is repealed and the following is substituted in lieu
164 thereof:

165 (c) This exemption shall terminate for the assessment year next
166 following if the manufacturing facility or service facility in which such
167 machinery and equipment is installed no longer qualifies for an
168 exemption under said subdivision (59), and there shall not be a pro
169 rata application of the exemption of such machinery and equipment in
170 the assessment year of such termination. Any person who desires to
171 claim the exemption provided in this subdivision shall file annually
172 with the assessor or board of assessors in the distressed municipality,
173 targeted investment community or enterprise zone designated
174 pursuant to section 32-70 in which the manufacturing facility or service
175 facility is located, on or before the first day of November, written
176 application claiming such exemption on a form prescribed by the
177 Secretary of the Office of Policy and Management. Failure to file such
178 application in this manner and form within the time limit prescribed
179 shall constitute a waiver of the right to such exemption for such
180 assessment year, unless an extension of time is allowed [by the
181 Secretary of the Office of Policy and Management as set forth in]
182 pursuant to section 12-81k, and upon payment of the required fee for
183 late filing. This exemption shall not apply to rolling stock.

184 Sec. 8. Subdivision (70) of section 12-81 of the general statutes is
185 repealed and the following is substituted in lieu thereof:

186 New machinery and equipment used directly in the manufacturing
187 of goods or products and acquired through purchase by any business
188 organization or any affiliate of such business organization as part of a
189 technological upgrading of the manufacturing process at a location in a
190 distressed municipality, targeted investment community, as defined in
191 section 32-222, or enterprise zone designated pursuant to section 32-70,
192 and for which an eligibility certificate has been issued by the
193 Department of Economic and Community Development, which
194 business organization (A) is engaged in the manufacturing, processing
195 or assembling of raw materials, parts or manufactured products, (B)
196 has been in continuous operation in the state for a period not less than
197 five years prior to claiming the exemption provided in this
198 subdivision, (C) had gross receipts in an amount less than twenty
199 million dollars in the year prior to claiming the exemption provided in
200 this subdivision, including receipts of any affiliates of the business
201 organization and (D) has incurred costs in acquiring such machinery
202 and equipment not less than the greater of (i) two hundred thousand
203 dollars or (ii) two hundred per cent of the business organization's and
204 affiliate's average expenditure for the acquisition of machinery and
205 equipment used directly in the manufacturing of goods or products at
206 the location in the distressed municipality, targeted investment
207 community or enterprise zone designated pursuant to section 32-70
208 during the three years prior to claiming the exemption provided in this
209 subdivision, as follows: To the extent of fifty per cent of its valuation
210 for purposes of assessment in each of the five full assessment years
211 following the assessment year in which such machinery and
212 equipment is acquired. Any person who desires to claim the
213 exemption provided in this subdivision shall file annually with the
214 assessor or board of assessors in the distressed municipality, targeted
215 investment community or enterprise zone designated pursuant to
216 section 32-70 in which the business organization is located, on or
217 before the first day of November, written application claiming such
218 exemption on a form prescribed by the Secretary of the Office of Policy
219 and Management. Failure to file such application in this manner and
220 form within the time limit prescribed shall constitute a waiver of the

221 right to such exemption for such assessment year, unless an extension
 222 of time is allowed [by the Secretary of the Office of Policy and
 223 Management as set forth in] pursuant to section 12-81k, and upon
 224 payment of the required fee for late filing. No person shall be eligible
 225 to receive the exemption provided in this subdivision if such
 226 exemption is sought for machinery and equipment located in a
 227 manufacturing facility as defined in subsection (d) of section 32-9p, as
 228 amended, currently receiving assistance under subdivisions (59) and
 229 (60) of section 12-81, and no person shall receive such exemption for
 230 eligible machinery or equipment at each location in a distressed
 231 municipality, targeted investment community or enterprise zone
 232 designated pursuant to section 32-70 more than once in any continuous
 233 five-year period. The state and the municipality and district shall hold
 234 a security interest, as defined in subdivision (37) of section 42a-1-201,
 235 in any machinery or equipment which is exempt from taxation
 236 pursuant to this subsection, in an amount equal to the tax revenue
 237 reimbursed or lost, as the case may be, which shall be subordinate to
 238 any purchase money security interest, as defined in section 42a-9-107.
 239 Such security interest shall be enforceable against the taxpayer for a
 240 period of five years after the last assessment year in which such
 241 exemption was received in any case in which the business organization
 242 ceases all business operations or moves its business operations entirely
 243 out of this state.

244 Sec. 9. Subdivision (74) of section 12-81 of the general statutes, as
 245 amended by section 1 of public act 99-280, is repealed and the
 246 following is substituted in lieu thereof:

247 (74) (A) (i) For a period not to exceed five assessment years
 248 following the assessment year in which it is first registered, any new
 249 commercial truck, truck tractor, tractor and semitrailer, and vehicle
 250 used in combination therewith, which is used exclusively to transport
 251 freight for hire and: Is either subject to the jurisdiction of the United
 252 States Department of Transportation pursuant to Chapter 135 of Title
 253 49, United States Code, or any successor thereto, or would otherwise
 254 be subject to said jurisdiction except for the fact that the vehicle is used

255 exclusively in intrastate commerce; has a gross vehicle weight rating in
256 excess of twenty-six thousand pounds; and prior to August 1, 1996,
257 was not registered in this state or in any other jurisdiction but was
258 registered in this state on or after said date. (ii) For a period not to
259 exceed five assessment years following the assessment year in which it
260 is first registered, any new commercial truck, truck tractor, tractor and
261 semitrailer, and vehicle used in combination therewith, not eligible
262 under (i) of this subdivision, that has a gross vehicle weight rating in
263 excess of fifty-five thousand pounds and was not registered in this
264 state or in any other jurisdiction but was registered in this state on or
265 after August 1, 1999. As used in this subdivision, "gross vehicle weight
266 rating" shall have the same meaning as in section 14-1, as amended;

267 (B) Any person who on October first in any year holds title to or is
268 the registrant of a vehicle for which [he] such person intends to claim
269 the exemption provided in this subdivision shall file with the assessor
270 or board of assessors in the municipality in which the vehicle is subject
271 to property taxation, on or before the first day of November in such
272 year, a written application claiming such exemption on a form
273 prescribed by the Secretary of the Office of Policy and Management.
274 Such person shall include information as to the make, model, year and
275 vehicle identification number of each such vehicle, and any
276 appurtenances attached thereto, in such application. The person
277 holding title to or the registrant of such vehicle for which exemption is
278 claimed shall furnish the assessor or board of assessors with such
279 supporting documentation as said secretary may require, including,
280 but not limited to, evidence of vehicle use, acquisition cost and
281 registration. Failure to file such application in this manner and form
282 within the time limit prescribed shall constitute a waiver of the right to
283 such exemption for such assessment year, unless an extension of time
284 is allowed as provided in section 12-81k. Such application shall not be
285 required for any assessment year following that for which the initial
286 application is filed, provided if the vehicle is modified, such
287 modification shall be deemed a waiver of the right to such exemption
288 until a new application is filed and the right to such exemption is

289 established as required initially. With respect to any vehicle for which
290 the exemption under this subdivision has previously been claimed [,
291 the person shall also include information as to any modifications made
292 to the vehicle subsequent to the assessment date with respect to which
293 said exemption was previously claimed. Failure to file such application
294 in this manner and form within the time limit prescribed shall
295 constitute a waiver of the right to such exemption for such assessment
296 year, unless an extension of time is allowed as provided in section 12-
297 81k] in a town other than that in which the vehicle is registered on any
298 assessment date, the person shall not be entitled to such exemption
299 until a new application is filed and the right to such exemption is
300 established in said town;

301 (C) With respect to any vehicle which is not registered on the first
302 day of October in any assessment year and which is registered
303 subsequent to said first day of October but prior to the first day of
304 August in such assessment year, the value of such vehicle for property
305 tax exemption purposes shall be a pro rata portion of the value
306 determined in accordance with subparagraph (D) of this subdivision,
307 to be determined by a ratio, the numerator of which shall be the
308 number of months from the date of such registration, including the
309 month in which registration occurs, to the first day of October next
310 succeeding and the denominator of which shall be twelve. For
311 purposes of this subdivision the term "assessment year" means the
312 period of twelve full months commencing with October first each year;

313 (D) Notwithstanding the provisions of section 12-71d, the assessor
314 or board of assessors shall determine the value for each vehicle with
315 respect to which a claim for exemption under this subdivision is
316 approved, based on the vehicle's cost of acquisition, including costs
317 related to the modification of such vehicle, adjusted for depreciation in
318 accordance with the schedule set forth in section 12-94c.

319 Sec. 10. This act shall take effect from its passage and sections 2 to 9,
320 inclusive, shall be applicable to assessment years commencing on and
321 after October 1, 2000.

FIN **Committee Vote:** Yea 39 Nay 0 JFS-LCO

PD **Committee Vote:** Yea 16 Nay 0 JF